

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ISO New England Inc. and
New England Power Pool

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Docket No. ER10-1653-000

**NOTICE OF INTERVENTION AND COMMENTS OF THE
MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES**

Pursuant to Rule 214(a)(2) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214(a)(2), and the Commission’s July 2, 2010 Combined Notice of Filings #2, the Department of Public Utilities of the Commonwealth of Massachusetts (“Mass DPU”) hereby files its Notice of Intervention and Comments in the above-captioned proceeding. This proceeding relates to the extension of the current practice in New England of not reconstituting the load reductions of demand resources that receive compensation from the Forward Capacity Market (“FCM”) for the purpose of allocating the costs of procuring capacity. The Mass DPU provides these comments in support of the extension of the current practice of not reconstituting load and to demur on the merits of load reconstitution.

I. COMMUNICATIONS

The Mass DPU requests that the individuals identified below be placed on the Commission's official service list in this proceeding and that all communications related to this filing and future filings in this proceeding should be directed to:

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II. INTERVENTION

The Mass DPU is the agency of the Commonwealth of Massachusetts charged with general regulatory supervision over gas and electric companies in Massachusetts and has jurisdiction to regulate rates or charges for the sale of electric energy and natural gas to consumers. Massachusetts General Laws c. 164, § 76 et seq. Therefore, the Mass DPU is a "state commission" as defined by 16 U.S.C. § 796(15) and 18 C.F.R. § 1.101(k). This notice of intervention has been filed within the period established under Rule 210(b). Accordingly, the Mass DPU hereby intervenes in this proceeding pursuant to Rule 214(a)(2).

III. COMMENTS

ISO New England Inc. and the New England Power Pool Participants Committee (the “Filing Parties”) have submitted revised tariff sheets to extend the current practice of not reconstituting the load reductions of demand resources receiving compensation from the FCM. The allocation of capacity costs is based upon demand coincident with the annual system peak, and the current practice does not add demand reductions activated pursuant to a capacity supply obligation to the load of an end-use customer. There are several reasons to extend the current practice. The Mass DPU agrees with the Filing Parties’ rationale, specifically the uncertainty regarding the outcome of related proceedings before the Commission, a final rule on demand response compensation¹ and FCM design,² and implementation concerns raised by participants during stakeholder deliberations.³ Accordingly, the Mass DPU supports extending the current practice of not reconstituting load.

However, as referenced in the Filing Parties’ transmittal letter, differing views on the advantages and disadvantages of implementing load reconstitution exist.⁴ The Mass DPU comments, in part, to emphasize the presence of these differing views, some of which contradict the characterization of the merit of implementing load reconstitution, as expressed in the Filing Parties’ transmittal letter and attached testimony. As this issue is not ripe for consideration at this time, the Mass DPU withholds further comment.

¹ *Demand Response Compensation in Organized Wholesale Energy Markets*, Notice of Proposed Rulemaking, FERC Stats. And Regs. ¶ 32,656 (2010).

² *ISO New England Inc.*, 131 FERC ¶ 61,065 (2010).

³ *ISO New England Inc. et al submits transmittal letter and Fourth Revised Sheet 7319B et al to FERC Electric Tariff 3- Section III- Market Rule 1- Standard Market Design etc.*, Docket No. ER10-1653 (June 30, 2010) (“Load Reconstitution Filing”), Transmittal Letter at section IV on P 5.

⁴ Load Reconstitution Filing, Transmittal Letter at section V on P 6.

IV. CONCLUSION

WHEREFORE, for the foregoing reasons, the Mass DPU hereby files this Notice of Intervention and Comments and respectfully requests that the Commission (1) recognize the Mass DPU as an intervener in this proceeding, with all rights attendant thereto, and (2) approve the Filing Parties' request to extend the current practice of not reconstituting load.

Respectfully submitted,

MASSACHUSETTS DEPARTMENT OF
PUBLIC UTILITIES

By its attorney,

/s/ Benjamin S. D'Antonio
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Date: July 21, 2010

CERTIFICATE OF SERVICE

In accordance with 18 C.F.R. § 385.2010 (2008), I hereby certify that I have this day served, via electronic mail or first class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Washington, D.C. on this 21st day of July, 2010.

/s/ Benjamin S. D'Antonio
Benjamin S. D'Antonio